

THE EMPIRE CABLES

CIRCULAR LETTER

FROM

The Board of Trade of the City of Ottawa, Canada.

OTTAWA, April 20th, 1904.

To whom it may concern :

SIRS—

1. The President and Council of the Ottawa Board of Trade have the honor to re-affirm the hearty approval of its members in the movement to complete the Cables of the Empire.

2 The President and Council, under instructions from the Board, beg leave to submit for consideration the explanations given in appendix A. The facts and arguments therein brought forward will be found to appeal strongly to every man who has the well-being of the British people at heart. The deliverance of the Fifth Congress of the Chamber of Commerce of the Empire, held in Montreal in August, 1903, will be found in appendix B. The deliberate and frequently repeated opinion of the Empire League in Canada will be found in appendix C.

3. The President and Council invite expressions of general concurrence in this great Imperial movement; they especially ask the co-operation of every Chamber of Commerce and Board of Trade throughout the Empire. To make co-operation effective it is suggested that

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individual Chambers may express their views by resolution; such taken in concrete, will have a powerful influence on the several governments concerned.

4. The co-operation of other bodies or individuals will be cordially welcomed.

5. The President and Council respectfully ask that they may be informed with respect to all action taken, and that copies of resolutions may be transmitted to the President or Secretary.

In the name and by the authority of the Board of Trade of the Capital of the Dominion of Canada, we ask all concerned to assist in forming public opinion in favor of the speedy completion of the scheme of Empire Cables.

We have the honor to be,

Your obedient servants,



JOHN R. REID,
President.

CECIL BETHUNE,
Secretary.

APPENDICES.

A—EXPLANATORY NOTE, furnished at the request of the Ottawa Board of Trade, for general information on the subject, of the Empire Cables, by Sir Sandford Fleming, K.C.M.G.

B—RESOLUTION adopted by the Fifth Congress of the Chamber of Commerce of the Empire, held in Montreal, Canada, in August, 1903.

C—MINUTE adopted by the British Empire League in Canada, at the annual meeting on February 16th, 1904.

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APPENDIX A.

THE EMPIRE CABLES.

EXPLANATORY NOTE, furnished at the request of the Ottawa Board of Trade, by
SIR SANDFORD FLEMING, K.C.M.G.

The term "Empire Cables" is understood to mean a system of Empire-girdling, state-owned Cable-telegraphs, established in an unbroken chain around the globe. "The Empire Cables" are designed to connect, telegraphically, in the most complete manner, the several groups of self-governing British communities in Europe, America, Australasia, Asia and Africa.

It is held that the Empire Cables should be state-owned for the following and other reasons, viz.:

1. In order that they may be wholly removed from the control of companies, whose chief object is to make profits by maintaining as high rates as possible on messages.

2. In order that the cost of telegraphing throughout the Empire may be reduced to a minimum.

3. In order that the British people, geographically separated by the oceans, may be brought within touch by a means of intercourse as free and as unrestricted as possible.

4. In order that the governments of all the self-governing British peoples within the Empire may be enabled to confer with each other at all times, with the greatest facility, on matters of mutual concern.

5. In order that no portion of these great lines of communication may come under foreign influence, or be used to the detriment of British interests.

The Empire Cables are, for greater security and effectiveness, designed to be laid in deep water, and to touch, or traverse only British territory.

This new Imperial service, forming one unbroken chain around the globe, under one control, would provide a double means of telegraphing, that is to say, easterly as well as westerly, between any one British state and any other British state. By the removal of every restriction possible, it would stimulate commercial, social and political intercourse between the several parts, and tend in every way to strengthen the Empire.

This electric bond of Empire has for some time been projected. It is the outcome of the first Colonial Conference held in London in

1887, and the second, held in Ottawa in 1894. It may be described as consisting of four divisions, viz.:

1. From the United Kingdom to the Pacific, embracing a cable across the Atlantic and land lines through Canada.
2. A cable across the Pacific, from Canada to New Zealand and Australia, with land lines through Australia to the Indian Ocean.
3. A cable from Australia across the Indian Ocean to South Africa, with a branch from Cocos Island to India.
4. A cable from Cape Town to the United Kingdom via Ascension, the West Indies and Bermuda, with a branch to Canada.

The proposal to establish the first of these four divisions has for some time been before the Canadian public, and I feel warranted in saying that it is regarded with much favor. It cannot be doubted that in the event of the Canadian Government proceeding to nationalize the telegraph service between London and Vancouver it would be accepted with general satisfaction throughout the Dominion.

The second division is an accomplished fact, having been successfully carried out under a partnership arrangement between six British Governments, viz.: the Home Government, the Canadian Government, the governments of New Zealand, New South Wales, Victoria and Queensland.

There remain divisions three and four to complete the whole series of Empire Cables. The principle of state ownership and state partnership having been adopted in respect to the Pacific, the extension of the principle to this the second half of the globe-girdling system would seem to follow naturally; but obstacles are met, the character of which call for explanations, and the means of overcoming them require to be considered.

With respect to the difficulty which has been raised and the complications which have been caused, they are directly traceable to the efforts of certain companies—the owners of cables between Asia and Australia. From the first the scheme of Empire Cables has been bitterly opposed. Ever since the Colonial Conference of 1887 the proposal to establish submarine telegraphs, to be owned and controlled by the state, has met with determined opposition. The companies referred to have enjoyed a rich monopoly, they have exacted very high charges on messages and have drawn from the public enormous profits. While the source of their lucrative business is in Australasia, the headquarters of the companies are in London, and the powerful influence they have been able to exercise has been employed at every step and in every conceivable way to stifle the proposal to establish state cables.

When at length it became known that the Home Government, together with Canada, three Australian states and New Zealand, had resolved to establish the Pacific Cable, the hostile companies combined and determined to adopt drastic means in order to defeat the new state policy. They saw plainly that a state-owned cable across the Pacific would lead to similar cables traversing the Indian and Atlantic Oceans. They accordingly decided to pre-occupy the ground by laying a private cable on the route which had previously been selected in the Indian and partly in the Atlantic Oceans, for the state-owned line. Moreover, they made tempting overtures to the governments of the Australian colonies, offering to reduce the burdensome telegraph charges hitherto exacted, provided these governments granted them certain concessions; which concessions, it was afterwards discovered, would enable the combined companies to ruin the commercial outlook of the Pacific Cable, and possibly lead to the companies gaining control of that undertaking itself.

Unfortunately the then Government of New South Wales listened to the overtures and granted what the companies desired. Now the commonwealth inherits the act of New South Wales, and the objectionable terms secured by the companies cannot be recinded in an ordinary way.

These, in brief, are the circumstances which led to the difficulty in Australia, which has perplexed the government partners in the Pacific Cable, and caused much friction. There is a collision of interests—private on the one hand, public and Imperial on the other. The Companies having command of great wealth and bent on their own aggrandisement at the expense of the general good, have adopted a bold and aggressive policy. In the event of their designs succeeding they would hold firmly in their grasp the Inter-Imperial Cables, which should all be under Imperial control.

Every patriotic man will see the need of those great lines of communication, defined as Empire Cables, being absolutely removed from the control of companies or individuals whose highest aim is to make profit, and who, in this case would accomplish that object by levying higher taxes than necessary on the intercourse of the people. Moreover, to leave any portion of the Empire Cables in the control of companies would be to invite greater difficulty. It must not be forgotten that the property of companies is transferable to purchasers willing to pay the stock market price; and thus a company financed in London, as a British Company, may come to be controlled by foreign owners. Obviously the Cables of the Empire, unless absolutely state-owned and state-controlled, may, without attracting attention, cease to be British, and thereupon be employed in a manner detrimental to British interests.

At the last annual meeting of the British Empire League in Canada a minute was adopted, the fourth clause of which reads as follows:

"The Empire Cables would actually be the great nerves of the Empire, and this League firmly holds the opinion that whatever else may remain the property of private companies or trusts, the Empire alone should own its own nervous system."

Every sane person must give his adhesion to the principle laid down by the League, that the electric nerves of that complex organism which we designate the British Empire, should be entirely removed from danger; that they should be in the sacred keeping of the state alone; that they should be allowed free play to produce and maintain a community of sympathy, and thus prove a potent factor in carrying out the destiny of the British people.

There can be no objection to private companies owning cables other than those within the circle of Empire Cables. In all cases when the former intersect the latter, they would assume the position of branches, and as such they would greatly gain by the connection. The true policy for the governments will be to reduce charges on telegraph messages transmitted by the Empire Cables to the very lowest rates, resting content with no higher revenue than may be required simply to make the service self-supporting. If this policy be adopted two results will assuredly follow: (1) The volume of telegraph business developed by the globe-encircling system will become enormous; (2) The charge for transmission will eventually be reduced to a point far lower than the dreams of the most sanguine. Both results will benefit the private companies owning the connecting lines, as the low rates on the Imperial trunk system will bring a continuous stream of telegraph traffic to the branch lines for dissemination.

The subject of the Empire Cables was considered by the Fifth Congress of the Chambers of Commerce of the Empire at the Montreal meeting last August. The action taken by that united body was most significant. This parliament of representative commercial men from all parts of the British world, pledged itself to the project as a new cohesive force—an electric bond of union—an indispensable factor in Imperial unity. The resolution, unanimously adopted, declares that the scheme of Empire Cables would put an end to the difficulty which has been caused by the allied cable companies in Australia, and remove all friction which has arisen between the six governments concerned as partners in the Pacific cable.

What course should then be followed? It has always been recognized that the owners of the private cables are entitled to reasonable consideration. Thirty years ago their enterprise in laying the pioneer cables to Australia was commendable. They received

generous government assistance for many years. They exacted and obtained rich returns from the public. The venture has proved a profitable one, and as they have been gathering a yearly harvest it is scarcely surprising that they are unwilling to relinquish the monopoly they have long held. I have said they are entitled to due consideration, but the well-being of the British people generally must be considered. If it has become a matter of public expediency that the circle of Empire Cables should be completed, the companies cannot forever stand in the way. They have long been hostile. Shall they continue antagonistic to the public interests and refuse to recognize the public needs? The remedy is simple; it is found in the inherent right possessed by the state to subordinate private to public interests and exercise the powers of "Eminent Domain." By this well known legal principle the private cables necessary to complete the system of Empire Cables, such as that recently laid from South Africa to Western Australia, may be expropriated, just compensation being paid to the present owners. Owing to the attitude assumed by the companies this is perhaps the best course open, although it is not the only course: the alternative is to lay a new cable parallel to the existing private cable for the use of the State and for the public advantage.

In submitting these explanations to the Ottawa Board of Trade, by request of the President, I may be allowed to express my gratification that the subject of Empire Cables is now being considered by business men, and that at the Congress of the Chambers of Commerce of the Empire in Montreal, those present were a unit in respect to it. On this point I cannot do better than refer to the resolution adopted. (appended). We all know what business men can do. Their intuitive perception leads them to see clearly. Their business habits and training induce them to deal with a subject in a business-like way, and in consequence the action taken by organized bodies of commercial men has more weight and commands more influence than that of any other class. It will be remembered that it was the Chamber of Commerce of the United Kingdom which commenced and successfully completed the movement for nationalizing the telegraph system of the Mother Country. And quite recently the Ottawa Board learned from Mr. Thomas Barclay, of Paris, how the way was paved for the Treaty of Arbitration between France and Great Britain. That gentleman, in his address to the Board, explained that it was, in a very large measure, owing to the co-operation of the great mass of the *Chambres de Commerce de France* and the Chambers of Commerce of England, Ireland and Scotland, that the Treaty was made possible and the ground cleared for the heads of these two great European powers concluding an international agreement promotive of the peace of the world.

So likewise in the present movement, if associations of business men in any portion of the Empire follow the example of the Montreal Congress and give expression to their views, it will have a powerful influence on the respective governments. Co-operation of this character cannot fail to be effective; it will certainly tend to produce a community of sympathy in a matter which concerns the British people in all quarters of the globe.

APPENDIX B.

RESOLUTION ADOPTED BY THE FIFTH CONGRESS OF THE CHAMBER
OF COMMERCE OF THE EMPIRE, HELD IN MONTREAL, CANADA,
IN AUGUST, 1903.

THAT in the opinion of this Congress all the self-governing British communities around the globe should be united by a continuous chain of State-owned telegraphs. That such an Inter-Imperial line of communication would, under government control, put an end to the difficulty which has been caused in Australia by the allied cable companies, and remove all friction which has arisen between the partners in the Pacific cable; That it would lower charges to a minimum on over-sea messages passing between New Zealand, Australia, India, South Africa, the West Indies, Newfoundland, Canada and the Mother Country; That it would provide a double means of communication at low, uniform rates between the Mother Country, or any one British State, and all self-governing British States; That it would constitute the most effective means by which the several governmental units of the Empire may hold communion with each other whenever they desire, and that while it would be of the highest importance to the commercial and social interests of the British people around the world, it would, by the subtle force of electricity, at once promote the consolidation of the Empire and prove an indispensable factor in Imperial unity.

APPENDIX C.

MINUTE ADOPTED BY THE BRITISH EMPIRE LEAGUE IN CANADA,
AT THE ANNUAL MEETING HELD IN OTTAWA ON FEBRUARY
16TH, 1904.

1. This League has, from the first, strongly favored the Empire Cable scheme, a scheme which has been designed to promote, in a direct and practical manner, the primary object of the League, as expressed in the constitution, that is to say, the permanent unity of the Empire.
2. By the "Empire Cables" is understood a continuous chain of cable telegraphs around the globe, touching only British possessions, and connecting Newfoundland, Canada, New Zealand, Australia, India, South Africa and the West Indies directly with each other and with the Mother Country.
3. The great heart of the Empire is in the United Kingdom, and the League recognizes that by means of the Empire Cables every throb may instantly be felt in each self-governing British community the world over.
4. The Empire Cables would actually be the great nerves of the Empire, and this League firmly holds the opinion, that whatever else may remain the property of private companies or trusts, the Empire alone should own its own nervous system.
5. Fully one-fifth of the estimated population of the world is British, and while the British islands on the margin of Europe cover a very small part, the Empire embraces nearly one-fifth of the globe's total land surface. If we take the superficial area of the United Kingdom as a unit of measurement for the purpose of reckoning, we find that the British flag floats over one hundred and one such units on the several continents in nearly the following remarkable proportions:
 - In Europe—British land surface, one unit.
 - In Asia—British land surface, ten units.
 - In Africa—British land surface, twenty units.
 - In Australasia—British land surface, thirty units.
 - In America—British land surface, forty units.
6. The design of the Empire Cable scheme is simply to unite these five continental groups of British units by State-controlled cables, laid for greater security in deep water.

7. The scheme originally involved the crossing of the three great oceans of the globe by submerged cables. This League has the satisfaction of knowing that substantial progress has been made, that one of the oceans has been crossed by a State-owned cable, that the trans-Pacific cable is laid and in successful operation from the shores of Canada to the shores of New Zealand and Australia. There remain to be traversed by national cables, the Atlantic and the Indian oceans.

This League is more and more convinced that this great Imperial project is of inestimable importance to the trade, to the social, and to the political relations of the whole British people; and that the common interests of every part of the Empire demand, with ever increasing urgency, that the whole Empire Cable scheme should speedily be accomplished.

